

## Presentation at City Council Subcommittee on Homelessness

April 4, 2016

Good evening Council Members.

I am Holly Wunder Stiles from Mutual Housing California and I am here today with Kate Hutchinson from Lutheran Social Services.

We appreciate the opportunity to talk with you about a housing solution that works – even for people experiencing mental illness or coming out of long-term homelessness – and that solution is permanent supportive housing.

I also want to talk about homelessness prevention. For whatever else we do to address some of the immediate needs of those who are without housing, in the end we cannot solve homelessness without increasing the supply of affordable housing.

In 2011, Mutual Housing California started operating Mutual Housing at the Highlands as a Housing First community. The key success of this community is that is formerly homeless residents can in fact no longer be called “homeless.”

Our Highlands residents, each provided with critical supportive services, now have a place to call home – not just for tonight, not just while they wait for other housing to become available, not just until some arbitrary cutoff date when they are prematurely cycled back into unstable housing or even back into homelessness—but for as long as the Highlands is the right fit for their economic and personal situations.

Lutheran Social Services is one of the three social service and mental health agencies partnering with us to provide supportive services at the Highlands.

Kate Hutchinson is here to share with you some of the ways that Mutual Housing at the Highlands has changed -- and continues to change -- the lives of the people who live there:

*Lutheran Social Services partners with two other social service agencies, Turning Point and Wellspace to provide services at Mutual Housing on the Highlands. LSS oversees the case management for the residents of 21 units. We target single adults who have been chronically homeless, most who spent years living on the river or on the streets of Sacramento. In addition to being homeless, we target individuals who have one or more of the following serious disabling conditions: mental illness, HIV status, substance abuse and other disabling medical conditions.*

*We meet our clients where they are, using a housing first model, we don't require sobriety; instead, we wrap our services around the resident providing what is needed by each individual. Some of these services are what you might expect: help maintaining an apartment, learning to*

*get along with difficult neighbors, not being that difficult neighbor, help with medical appointments and learning to cook using apartment appliances. Some of the services we provide you might not expect: help with reuniting with adult children and grandchildren because there now a safe place for visits. Many of our services are geared toward building community: development of a resident council, holiday celebrations, and barbeques.*

*In the last fiscal year, 90% of those we've housed at Mutual Housing at the Highlands have remained housed. The average length of tenancy is 648 days. Those who have exited successfully, have found jobs, or no longer need intensive services, and we assist them to move into affordable housing. Without the availability of affordable housing, our successful residents risk returning to homelessness.*

We know that permanent supportive housing is a solution that is working throughout the country. Numerous studies nationwide have shown that this approach, though seemingly expensive, actually reduces costs associated with cycling chronically homeless persons through jails, emergency rooms, shelters, and detox centers as well as reducing costs of police and fire department activity related to homelessness and addressing public health conditions created by people living outside without shelter.

Meanwhile, Sacramento has a significant shortage of affordable housing.

The National Low Income Housing Coalition has just issued its 2016 Affordable Housing Gap Analysis for 50 of the largest metropolitan areas in the country. ***See attached NLIHC Gap Analysis, also available here: <http://nlihc.org/research/gap-report>***

This analysis looks at the number of rental units available and affordable for every 100 families with incomes at or below 30% of the area median.

In Sacramento that number is just 18. ***See page 10 of the NLIHC Gap Analysis.***

With this ratio of just 18 affordable housing units available for every 100 families that need such housing, Sacramento has the 6<sup>th</sup> greatest affordability gap in the nation.

At Mutual Housing California we work to close this gap. We now provide housing for over 3,000 people, 1200 of which are children.

Those with incomes below 30% of the area median represent a majority of our renter households and the median income of our resident families is just over \$20,000.

For these families, Mutual Housing is preventing homelessness.

However, state and federal funding for affordable housing is at historic lows. This makes the challenge in closing the Affordable Housing Gap greater than ever.

We urge the City Council to join statewide efforts calling for :

- 1) Passage of the “No Place Like Home Initiative” – the \$2 billion bond specifically for the purpose of providing homes for homeless people with mental illness;
- 2) Expansion of the low income housing tax credit program as proposed in active legislation; and
- 3) Creation of a dedicated source of permanent state funding for affordable housing.

***See additional information on pages 4 & 5.***

We also urge the City Council to enter into serious dialogue with the Sacramento Housing Alliance and other housing advocates and to take measures that will :

- 1) Create the most sustainable form of housing possible with resources currently available. In this vein, we support the tiny homes concept being proposed by First Step Communities;
- 2) Increase the resources available through the local housing trust fund with policies to ensure compatibility with efforts to create permanent supportive housing;
- 3) Designate a portion of revenue previously headed toward the redevelopment agency (often referred to as “boomerang funds”) for affordable housing;
- 4) Reconsider the fee-only approach for inclusionary housing policies to increase the likelihood of success in increasing the supply of affordable housing;
- 5) Protect the remaining Single Room Occupancy hotels and their low income residents; and
- 6) Direct the Housing Authority to make more project-based vouchers available for permanent supportive housing.

***See additional information on pages 4 & 5.***

Even when financial resources are readily available, we all know that financing and constructing new affordable housing takes time.

This makes it all the more important not to delay in addressing homelessness at its root cause -- lack of affordable homes -- even as the City pursues measures to address the immediate needs of those who live without homes in our community.

## Statewide Policy

Housing California, a statewide education and advocacy organization, is supporting a number of Senate and Assembly bills related to homelessness and affordable housing. You can find specific information about these legislative proposals on the Housing California website:

<http://www.housingca.org/#!our-positions-on-current-bills/ck2>

We would like to highlight the following:

### **“No Place Like Home Initiative”**

The Senate legislative package on homelessness re-purposes a portion of the Mental Health Service Act funding created by Proposition 63 (2004) for the creation of permanent supportive housing for chronically homeless persons with mental illness

<http://sd24.senate.ca.gov/news/2016-01-04-senate-announces-%E2%80%9Cno-place-home%E2%80%9D-initiative-tackle-homelessness-california>

### **AB 2817 – \$300 million expansion of the state’s housing tax credit program**

This bill would expand the state's housing tax credit program by \$300 million and increase the Farmworker Housing Tax credit to \$25 million. In addition to helping developers build more affordable places to live, increasing the state housing tax credits will also let California access an additional \$600 million in federal housing funding and give the state and local governments hundreds of millions of dollars in additional tax and fee revenues (generated through the construction and maintenance of affordable apartments).

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160AB2817](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2817)

### **SB 873 – Program modification to increase value of state tax credits**

This bill would increase the value of every housing tax credit that investors purchase, thus incentivizing more investment in state tax credits, which in turn will support the development of much-needed affordable apartments for Californians priced out of the rental market.

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB873](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB873)

### **Dedicated source of permanent state funding for affordable housing.**

Legislation that would have created a dedicated source of permanent state funding for affordable housing was considered by the state legislature in 2014 and 2015 but ultimately was not approved either year and no such legislation has been proposed this year. Creation of such permanent source, however, remains a key goal of housing advocates statewide and we urge the City Council be on the alert to support future proposals.

**Federal Housing Trust Fund Dollars to Sacramento.** In addition (and something not included in my presentation in front of the subcommittee on April 4), we urge the City Council to engage with the State Dept of Housing and Community Development as it starts to develop program guidelines for distributing proceeds from the Federal Housing Trust Fund to ensure our region gets its fair share and can be competitive.

## Local Efforts

**Interim Solutions** – In support of the goal of creating the most sustainable form of housing possible with resources currently available, we support the tiny homes concept being proposed by First Step Communities. As an add-on to the City Council Homeless Subcommittee’s trip to Seattle in February, Emily Halcon and Ryan Loofbourrow of Sacramento Steps Forward, together with representatives of First Step Communities, visited a similar community known as Quixote Village in Olympia Washington. On February 29, Steve Watters of First Step Communities also presented on this concept to the City Council Subcommittee:

<https://www.cityofsacramento.org/~media/Corporate/Files/CMO/HomelessCoordinator/SubCommittee/Meeting-Materials/022916-First-Step%20-Communities-Presentation.pdf>

**Sacramento Housing Alliance** has recently released its April 2016 Working Paper on Ending Homelessness which includes a number of strategies for addressing homelessness in our region. The Working Paper is attached. We highlight a few of its recommendations here:

- **Expand Revenue to Housing Trust Fund (page 4)**  
In order for this resource to be of most benefit for permanent supportive housing, the housing trust funds dollars should be available for funding capitalized operating reserve or other forms of operating assistance.
- **Include “boomerang” funds as source of revenue for affordable housing (page 4)**  
Note also the state legislation AB 2031, supported by Housing California, which would give cities the authority to approve issuance of bonds for affordable development that will be paid for with any portion of its "boomerang funds" without voter approval.  
[http://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160AB2031](http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2031)
- **Allocate federal rent subsidies for extremely low income and homeless housing (page 5)**  
Making project-based rental subsidies available for developments that include homeless housing creates financial feasibility when residents have extremely limited ability to pay rent.
- **Adopt policies for inclusionary upzoning (page 5)**  
In general, we recommend that the City reconsider the fee-only approach for inclusionary housing policies to increase the likelihood of success in increasing the supply of affordable housing.

**Preservation for Single Room Occupancy Hotels** -- One additional recommendation which we consider an essential homelessness prevention strategy is to protect the remaining Single Room Occupancy hotels and their low income residents.